

Honolulu, Hawaii

February 4, 2014

RE: H.B. No. 2127
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which
was referred H.B. No. 2127 entitled:

"A BILL FOR AN ACT RELATING TO THE PUBLIC-PRIVATE FINANCE
INITIATIVE, "

begs leave to report as follows:

The purpose of this measure is to assist the State with
addressing economic challenges faced when developing
infrastructure to meet growing demands for public service by
establishing the Public-Private Finance Initiative. The
initiative would identify suitable infrastructure projects, carry
out appropriate analyses, enter into public-private agreements,
and provide leadership for the facilitation of financing,
improvement, or enhancement of appropriate facilities, operations,
and property.

In addition, this bill:

- (1) Requires the Initiative to initiate a pilot project on
specific State lands in Wahiawa (Pilot Project);
- (2) Requires the Initiative to submit a report on the status
of the Pilot Project;
- (3) Prohibits the Initiative from planning or implementing
any other projects other than the Pilot Project in
Wahiawa; and



- (4) Appropriates \$500,000 for the establishment and operations of the Initiative, including the hiring of staff.

The Department of Business, Economic Development, and Tourism, and Department of Accounting and General Services testified in support of this measure. Hawaii's Thousand Friends and several concerned individuals testified in opposition to this measure.

An increasing need for public services, due in part to an increasing population, has put pressure on revenue resources for all levels of government. This was evident during the recent economic downturn faced by Hawaii and the rest of the nation. As a result, the State faces the challenge of balancing its budget while addressing escalating infrastructure and service needs. Creating a partnership agency to collaborate with all state agencies and private sector entities may help deliver these services and facilities more effectively, efficiently, and in a manner that is cost beneficial to the State. As such, this initiative deserves further consideration.

Your Committee has amended this measure by:

- (1) Changing the \$500,000 appropriation for the establishment and operations of the Initiative to an unspecified sum;
- (2) Changing its effective date to January 20, 2050, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

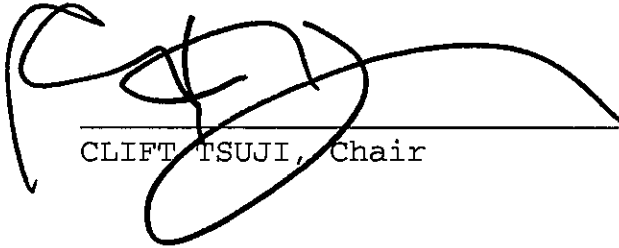
Should the Committee on Finance deliberate on this measure, your Committee on Economic Development & Business respectfully requests that it consider appropriating \$500,000 for fiscal year 2014-2015 for the establishment and operations of the Initiative, including the hiring of staff.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2127, as amended herein, and recommends that



it pass Second Reading in the form attached hereto as H.B. No. 2127, H.D. 1, and be referred to the Committee on Water & Land.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



CLIFT TSUJI, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 134-14

Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 2127	Committee Referral: EDB, WAL, FIN	Date: 11/31/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	✓			
2. WARD, Gene (VC)	✓			
3. AWANA, Karen				✓
4. BROWER, Tom	✓			
5. CACHOLA, Romy M.	✓			
6. ITO, Ken	✓			
7. CHOY, Isaac W.	✓			
8. OHNO, Takashi	✓			
9. ONISHI, Richard H.K.	✓			
10. TOKIOKA, James Kunane	✓			
11. WOOLEY, Jessica	✓			
TOTAL (11)	10			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; margin-left: 100px;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				